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Lexaria's Licensee Premier Wellness Science Co., Ltd. Launches New Brand in Preparation to Deploy DehydraTECH CBD Products in Japan

KELOWNA, BC / ACCESSWIRE / July 26, 2022 /Lexaria Bioscience Corp. (Nasdaq:LEXX) (Nasdaq:LEXXW) (the "Company" or "Lexaria"), a global innovator in drug delivery platforms is pleased to announce that its exclusive* Japanese Licensee, Premier Wellness Science Co., Ltd., ("Premier") officially launched its first generation of its [new cannabidiol \("CBD"\) products under the brand "Ko"](#), on July 21, 2022 for the Japanese consumer market.

Premier will create its own e-commerce infrastructure and digital marketing campaigns in collaboration with its parent company, [Premier Anti-Aging Co., Ltd.](#) ("Parent") which is listed on the Tokyo Stock Exchange (4934:JP).

For wholesale sales, Premier will work with a large third-party Japanese-based distribution company also listed on the Tokyo Stock Exchange to expand sales channels. Originally founded in 1898, it is a large distributor and logistics supplier for cosmetics, OTC pharmaceuticals and nutraceuticals to wholesalers, retailers and more; and, shipped more than 3.5 billion products in its most recent fiscal year, comprised of over 50,000 products and over 50,000 retail stores of distribution.

The "Ko" brand is focused on the endocannabinoid system and circadian rhythm to support the health and wellness of all people, highlighted by the concept of wellness for all and will contain CBD and other botanical extracts. Ko-branded products containing Lexaria's DehydraTECH™ delivery technology are expected to be introduced during Q2 2023, following rigorous product development and formula optimization.

Premier is working diligently to establish its new brand while also looking towards extensive distribution for the DehydraTECH-enabled products to be developed and sold. Lexaria notes the extensive capabilities of Premier, Parent, and PALTAC - all expected to contribute to the eventual widespread introduction of DehydraTECH-CBD products within the Japanese marketplace.

Under the terms of the license agreement with Lexaria as previously announced on June 3, 2022, Premier purchased the rights to DehydraTECH technology for the Japanese non-pharmaceutical market for use with CBD and hemp ingredients in oral liquid and non-liquid products, as well as for topical, hair-care, lip-care and cosmetics products.

In order to retain ongoing exclusivity, the negotiated minimum quarterly payments ("Payments") to Lexaria begin September 1, 2022 and, during the first five years of the Agreement, amount to US\$4,527,500. Additional payments beyond five years are required to keep the license in good standing, in which case the license for the Japanese market is perpetual.

In addition to the Payments, Lexaria will also receive royalty revenue from DehydraTECH licensed product sales, which are anticipated to be significantly greater than the minimum Payments if Premier is capable of meeting its expected revenue targets. If Premier achieves even their worst-case projected penetration into the Japanese non-pharmaceutical CBD market, then based on their projections Lexaria could expect to receive annual payments of over \$5 million by the fifth year of the contract.

*The exclusive rights are subject to two previously issued licenses for use of DehydraTECH in Japan, which remain valid. Lexaria will not be issuing any further licenses in Japan for non-pharmaceutical cannabinoid products.

About Lexaria Bioscience Corp.

Lexaria Bioscience Corp.'s patented drug delivery technology, DehydraTECH™, improves the way active pharmaceutical ingredients (APIs) enter the bloodstream by promoting more effective oral delivery. Since 2016, DehydraTECH has repeatedly demonstrated the ability to increase bio-absorption with cannabinoids, antiviral drugs, PDE5 inhibitors and more. DehydraTECH has also evidenced an ability to deliver some drugs more effectively across the blood brain barrier. Lexaria operates a licensed in-house research laboratory and holds a robust intellectual property portfolio with 25 patents granted plus a 26th patent allowed; and roughly 50 patents pending worldwide. For more information, please visit www.lexariabioscience.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This press release includes forward-looking statements. Statements as such term is defined under applicable securities laws. These statements may be identified by words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions. Such forward-looking statements in this press release include, but are not limited to, statements by the company relating the Company's ability to carry out research initiatives, receive regulatory approvals or grants or experience positive effects or results from any research or study. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that the Company will actually achieve the plans, intentions, or expectations disclosed in these forward-looking statements. As such, you should not place undue reliance on these forward-looking statements. Factors which could cause actual results to differ materially from those estimated by the Company include, but are not limited to, government regulation and regulatory approvals, managing and maintaining growth, the effect of adverse publicity, litigation, competition, scientific discovery, the patent application and approval process, potential adverse effects arising from the testing or use of products utilizing the DehydraTECH technology, the Company's ability to maintain existing collaborations and realize the benefits thereof, delays or cancellations of planned R&D that could occur related to pandemics or for other reasons, and other factors which may be identified from time to

time in the Company's public announcements and periodic filings with the US Securities and Exchange Commission on EDGAR. There is no assurance that any of Lexaria's postulated uses, benefits, or advantages for the patented and patent-pending technology will in fact be realized in any manner or in any part. No statement herein has been evaluated by the Food and Drug Administration (FDA). Lexaria-associated products are not intended to diagnose, treat, cure or prevent any disease. Any forward-looking statements contained in this release speak only as of the date hereof, and the Company expressly disclaims any obligation to update any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.

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